

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6941**

**BILL NUMBER:** HB 1261

**NOTE PREPARED:** Jan 13, 2012

**BILL AMENDED:** Jan 13, 2012

**SUBJECT:** County Recorders.

**FIRST AUTHOR:** Rep. Heuer

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1st House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) *Increase of Copy Fees*- The bill increases from \$2 per page to \$5 per page the fee for providing copies of records on paper larger than legal size.

*Additional Fees*- The bill provides the following: (1) Establishes inclusive fees for recording mortgages, deeds, assignments, affidavits, satisfactions, or releases. (2) Requires that after certain fees are deducted, the remainder of the fees collected for recording these documents must be deposited in the recorder's records perpetuation fund (RPF).

*County ID Security Protection Fee*- It provides that the county identification security protection fee for recording a document is included in the fee charged for recording a mortgage, deed, assignment, affidavit, satisfaction, or release.

*Recording Nonconforming Document*- The bill provides that with regard to recording a nonconforming document: (1) requires (rather than allows) the recorder to attach additional pages as needed; and (2) requires the recorder to collect an additional \$25 fee for the entire document (instead of an additional fee of \$1 for each nonconforming page).

*Maintaining Fee Provisions*- The bill maintains the following requirements: (1) \$5 of each deed recording fee is deposited in the surveyor's corner perpetuation fund. (2) \$2.50 of each mortgage recording fee is deposited in the state General Fund and the Homeowner Protection Unit Account.

*Affordable Housing Fund Fee*- The bill provides that a county ordinance adopted before, on, or after July 1, 2012, that authorizes the collection of a fee on each document recorded, a part of which is deposited into

the county's affordable housing fund or housing trust fund, authorizes the county recorder to charge the fee as part of the fee collected for each mortgage, deed, assignment, affidavit, satisfaction, or release.

*Recording Document Standards-* The bill provides that for purposes of recording, a document should conform to the standards set forth in statute, but may not be rejected unless the document is considered to be illegible by the county recorder or is incapable of being archived.

*Housing Trust-* The bill allows the resources of the Indianapolis Housing Trust Fund to be used to fund programs considered appropriate to meet the affordable housing and community development needs of lower income families and very low income families, including lower income elderly individuals, individuals with disabilities, and homeless individuals.

**Effective Date:** July 1, 2012.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** *Maintaining Fee Provisions-* In the case of a mortgage or similar document recorded, the \$2.50 homeowner protection unit fee would be directed from the \$100 inclusive fee for a mortgage related document under the bill. That fee revenue would continue to go to the state General Fund and Homeowner Protection Unit Account.

**Explanation of Local Expenditures:** (Revised) *Housing Trust-* It is unknown how the additional uses of the Indianapolis Housing Trust Fund allowed under the bill would impact the available monies for projects that currently qualify. The specific impact to the fund balance would depend on the future action taken by the fund's managers.

**Background:** The Housing Trust Fund receives revenue from property taxes, gifts, grants, investment income earned on the fund's assets, and various other sources. The amount that the fund received in CY 2010 is currently unknown.

The total disbursement made from the Housing Trust Fund for the purposes under current law was \$1.1 M during CY 2010. Current uses include financial assistance to individuals and families with income at or below 80% of Marion County's median income for individuals and families for the purchase or lease of residential units in the county.

The fund may also be used to provide grants, loans, and loan guarantees for the development, rehabilitation, or financing of affordable housing for individuals and families at or below 80% of the county's median income. Other uses include provision of technical assistance to nonprofit developers of affordable housing and payment of expenses to administer the housing fund.

**Explanation of Local Revenues:** (Revised) *Summary:* With respect to inclusive fees for recording mortgages, deeds, assignments, affidavits, satisfactions, and releases, county recorders would be able to save some time when recording mortgage type documents. Recordors would no longer have to count the number of pages to be recorded. Given the lengthy nature of mortgage documents, it is likely the inclusive fee of \$100 for a mortgage document would be close to the sum of the current per-additional-page fee.

*Additional Fees-* The inclusive fees established by the bill would be \$100 for mortgages, \$25 for deeds, \$25

for assignments, \$25 for an affidavit, \$25 for a satisfaction, and \$25 for a release.

From the inclusive fees that would be established by the bill the following would be deducted: the \$2.50 homeowner protection unit fee to the state General Fund; the \$2 county security fee (which goes to the county redaction fund), if the county has established it, the fee for the county affordable housing or housing trust funds, and \$5 to the county surveyor's corner perpetuation fund. The distribution percentages with either an affordable housing or housing trust fund would remain the same. The percentages are 60% to county housing trust funds and 40% to the state Affordable Housing and Community Development Fund.

*Increase of Copy Fees-* Fees on larger than legal size paper would increase by \$3 per page. The revenue from this fee is deposited into the county recorders perpetuation fund.

**State Agencies Affected:** Homeowner Protection Unit, Indiana Housing Finance Authority.

**Local Agencies Affected:** County auditor, recorder; Indianapolis Housing Trust Fund; Marion County Metropolitan Development Commission.

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